

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE
GIEŁDA PAPIERÓW WARTOŚCIOWYCH
W WARSZAWIE S.A. GROUP
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

LONDON

WARSZAWA



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 September 2022 (unaudited)	31 December 2021
Non-current assets:		614,584	603,573
Property, plant and equipment	2.1.	96,532	91,887
Right-to-use assets		5,754	9,084
Intangible assets	2.2.	262,798	264,022
Investment in entities measured by equity method	2.3.	233,249	230,825
Sublease receivables		308	-
Deferred tax asset		7,671	4,173
Financial assets measured at fair value through other comprehensive income		6,506	123
Prepayments		931	2,474
Other non-current assets		835	985
Current assets:		663,432	807,115
Inventories		10	15
Corporate income tax receivable		2,138	364
Trade receivables and other receivables	2.4.1.	92,903	177,077
Sublease receivables		101	71
Contract assets		2,795	2,412
Financial assets measured at amortised cost	2.4.2.	138,464	277,322
Other current assets		150	530
Cash and cash equivalents	2.4.3	426,871	349,324
TOTAL ASSETS		1,278,016	1,410,688

The attached Notes are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 September 2022 (unaudited)	31 December 2021
Equity:		953,033	967,857
Equity of shareholders of the parent entity:		952,407	967,211
Share capital		63,865	63,865
Other reserves		(12,612)	(5,557)
Retained earnings		901,154	908,903
Non-controlling interests		626	646
Non-current liabilities:		47,477	44,206
Employee benefits payable		1,450	1,518
Lease liabilities		1,409	4,170
Contract liabilities	2.7.	6,356	7,451
Accruals and deferred income	2.8.	29,578	20,551
Deferred tax liability		-	239
Other liabilities	2.9.	8,684	10,277
Current liabilities:		277,506	398,625
Liabilities on bonds issue	2.6.	126,933	246,278
Trade payables		14,819	13,704
Employee benefits payable		28,950	31,106
Lease liabilities		5,275	5,393
CIT payable		19	6,167
Loans and borrowings liabilities		2,319	-
Contract liabilities	2.7.	19,078	5,567
Accruals and deferred income	2.8.	928	3,551
Provisions for other liabilities and other charges		31,669	28,837
- VAT provision	5.9.	30,352	28,771
Other liabilities	2.9.	47,516	58,022
TOTAL EQUITY AND LIABILITIES		1,278,016	1,410,688

The attached Notes are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three months ended 30 September (unaudited)		Nine months period ended 30 September (unaudited)	
		2022	2021	2022	2021
Sales revenue		88,443	90,623	297,757	300,060
Operating expenses		(59,334)	(49,416)	(190,684)	(166,203)
Gains on reversed impairment of receivables/ (Loss) on impairment of receivables		89	(753)	354	549
Other income		384	547	1,351	1,226
Other expenses		(9,100)	(1,069)	(10,044)	(1,670)
Operating profit		20,482	39,932	98,734	133,962
Financial income, incl.:		8,758	12	17,928	381
interest income under the effective interest rate method		8,200	6	16,811	316
Financial expenses, incl.:		(189)	(2,399)	(6,328)	(9,046)
financial cost of VAT risk	5.9.	1,405	(557)	(1,580)	(1,638)
Share of profit of entities measured by equity method		8,346	5,937	20,702	19,154
Profit before tax		37,397	43,482	131,036	144,451
Income tax	3.1.	(6,255)	(7,477)	(23,774)	(24,529)
Profit for the period		31,142	36,005	107,262	119,922
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net		(1,050)	(894)	(7,722)	(857)
Total items that may be reclassified to profit or loss		(1,050)	(894)	(7,722)	(857)
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net		1,063	1	667	6
Total items that will not be reclassified to profit or loss		1,063	1	667	6
Total other comprehensive income after tax		13	(893)	(7,055)	(851)
Total comprehensive income		31,155	35,112	100,207	119,071
Profit for the period attributable to shareholders of the parent entity		31,139	35,996	107,254	119,892
Profit for the period attributable to non-controlling interests		3	9	8	30
Total profit for the period		31,142	36,005	107,262	119,922
Comprehensive income attributable to shareholders of the parent entity		31,152	35,103	100,199	119,041
Comprehensive income attributable to non-controlling interests		3	9	8	30
Total comprehensive income		31,155	35,112	100,207	119,071
Basic / Diluted earnings per share (PLN)		0.74	0.86	2.56	2.86

The attached Notes are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Nine months period ended 30 September (unaudited)	
		2022	2021
Total net cash flows from operating activities		196,012	(6,145)
Net profit for the period		107,262	119,922
Adjustments:		124,045	(97,120)
Income tax	3.1.	23,774	24,529
Depreciation and amortisation	4.1.	27,895	26,069
Impairment allowances		(75)	-
Share of profit of entities measured by equity method		(20,702)	(19,154)
(Gains) on financial assets measured at amortised cost		(5,301)	(256)
Interest on bonds		3,173	4,074
Other adjustments		1,892	(767)
Change of assets and liabilities:		93,389	(131,615)
Inventories		5	(4)
Trade receivables and other receivables	2.4.1.	83,482	(94,668)
Trade payables		1,115	(2,169)
Contract assets		(383)	(1,392)
Contract liabilities	2.7.	12,416	11,455
Prepayments		1,543	(632)
Accruals and deferred income	2.8.	6,404	6,183
Employee benefits payable		(2,224)	(882)
Other current liabilities (excluding contracted investments and dividend payable)	2.9.	(10,208)	(49,743)
Provisions for liabilities and other charges		2,832	1,640
Other non-current liabilities		(1,593)	(1,403)
Income tax (paid)/refunded		(35,295)	(28,947)

The attached Notes are an integral part of these Financial Statements.

	Nine months period ended 30 September (unaudited)	
	2022	2021
Total cash flows from investing activities:	115,489	32,641
In:	479,177	851,072
Sale of property, plant and equipment and intangible assets	9	4,502
Dividends received	10,556	7,063
Maturity of financial assets measured at amortised cost	464,946	839,080
Interest on financial assets measured at amortised cost	3,641	323
Sublease payments (interest)	4	1
Sublease payments (principal)	21	103
Out:	(363,688)	(818,431)
Purchase of property, plant and equipment and advances for property, plant and equipment	(12,534)	(7,312)
Purchase of intangible assets and advances for intangible assets	(21,761)	(20,717)
Purchase of financial assets measured at amortised cost	(324,354)	(790,102)
Purchase of financial assets at fair value through other comprehensive income	(5,001)	-
Loan granted to a related party	-	(300)
Purchase of shares of related parties	(38)	-
Total cash flows from financing activities:	(234,351)	(111,233)
In:	12,160	4,426
Grants received	9,841	4,426
Proceeds from loans and borrowings	2,319	-
Out:	(246,511)	(115,659)
Dividend paid	(115,025)	(105,208)
Interest paid on bonds	(2,708)	(3,452)
Redemption of issued bonds	(120,000)	-
Settlement of a grant advance	(4,261)	(2,564)
Lease payments (interest)	(199)	(294)
Lease payments (principal)	(4,318)	(4,141)
Net increase in cash and cash equivalents	77,150	(84,737)
Impact of fx rates on cash balance in currencies	397	(132)
Cash and cash equivalents - opening balance	2.4.3. 349,324	411,018
Cash and cash equivalents - closing balance	2.4.3. 426,871	326,149

The attached Notes are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2022	63,865	(5,557)	908,903	967,211	646	967,857
Dividend	-	-	(115,003)	(115,003)	(28)	(115,031)
Transactions with owners recognised directly in equity	-	-	(115,003)	(115,003)	(28)	(115,031)
Net profit for the nine months period ended 30 September 2022	-	-	107,254	107,254	8	107,262
Other comprehensive income	-	(7,055)	-	(7,055)	-	(7,055)
Comprehensive income for the nine months period ended 30 September 2022	-	(7,055)	107,254	100,199	8	100,207
As at 30 September 2022 (unaudited)	63,865	(12,612)	901,154	952,407	626	953,033

	Equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2021	63,865	1,063	852,584	917,512	619	918,131
Dividend	-	-	(104,930)	(104,930)	-	(104,930)
Transactions with owners recognised directly in equity	-	-	(104,930)	(104,930)	-	(104,930)
Net profit for 2021	-	-	161,249	161,249	27	161,276
Other comprehensive income	-	(6,620)	-	(6,620)	-	(6,620)
Comprehensive income for 2021	-	(6,620)	161,249	154,629	27	154,656
As at 31 December 2021	63,865	(5,557)	908,903	967,211	646	967,857

	Equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2021	63,865	1,063	852,584	917,512	619	918,131
Dividend	-	-	(104,930)	(104,930)	-	(104,930)
Transactions with owners recognised directly in equity	-	-	(104,930)	(104,930)	-	(104,930)
Net profit for the nine months period ended 30 September 2021	-	-	119,892	119,892	30	119,922
Other comprehensive income	-	(851)	-	(851)	-	(851)
Comprehensive income for the nine months period ended 30 September 2021	-	(851)	119,892	119,041	30	119,071
As at 30 September 2021 (unaudited)	63,865	212	867,545	931,622	649	932,271

The attached Notes are an integral part of these Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS, ACCOUNTING POLICIES

1.1. LEGAL STATUS

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group", "the GPW Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("the Warsaw Stock Exchange", "the Exchange", "GPW", "the Company" or "parent entity") with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, Tax Identification Number 526-025-09-72, Regon 012021984. GPW is a joint-stock company listed on GPW's Main Market since 9 November 2010. The Company has not changed its name or other identification details since the end of the previous reporting period.

1.2. SCOPE OF ACTIVITIES OF THE GROUP

The core activities of the Group include organising exchange trading in financial instruments and activities related to such trading. At the same time, the Group organises an alternative trading system and pursues activities in education, promotion and information concerning the capital market.

The Group operates the following markets:

- › **GPW Main Market:** trade in equities, other equity-related financial instruments and other cash markets instruments as well as derivatives;
- › **NewConnect:** trade in equities and other equity-related financial instruments of small and medium-sized enterprises;
- › **Catalyst:** trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by the Exchange and BondSpot S.A. ("BondSpot");
- › **Treasury BondSpot Poland:** wholesale trade in Treasury bonds operated by BondSpot.

The Group also organises and operates trade on the markets operated by Towarowa Giełda Energii S.A. ("TGE") and InfoEngine S.A. ("IE", "InfoEngine"):

- › **Energy Market:** trade in electricity on the Intra-Day Market, the Day-Ahead Market, the Commodity Forward Instruments Market, Electricity Auctions,
- › **Gas Market:** trade in natural gas with physical delivery on the Intra-Day and Day-Ahead Market, the Commodity Forward Instruments Market, Gas Auctions,
- › **Property Rights Market:** trade in property rights in certificates of origin of electricity from Renewable Energy Sources and energy efficiency,
- › **Financial Instruments Market:** trade in CO₂ emission allowances,
- › **Market Operator Platform:** InfoEngine provides market operator services and balancing services to electricity traders, producers and large industrial customers,
- › **Agricultural Market:** electronic platform of agricultural commodity trade operated by TGE and IRGIT,
- › **Organised Trading Facility ("OTF")** comprising the following markets: Electricity Forwards Market, Gas Forwards Market and Property Rights Forwards Market, where financial instruments are traded.

The GPW Group also operates:

- › **Clearing House and Settlement System** operated by Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGIT") performing the functions of an exchange settlement system for transactions in exchange-traded commodities,
- › **Trade Operator and Balancing Entity services** – both types of services are offered by InfoEngine S.A. (balancing involves the submission of power sale contracts for execution and clearing of non-balancing with the grid operator, i.e., differences between actual power production or consumption and power sale contracts accepted for execution),
- › **WIBID and WIBOR Reference Rates** calculation and publication (they are used as benchmarks in financial contracts and instruments, including credit and bond contracts) operated by GPW Benchmark S.A. ("GPWB"),
- › Provision and publication of **indices and non-interest rate benchmarks** including the Exchange Indices, TBSP.Index and CEEplus, operated by GPWB,
- › Activities in education, promotion and information concerning the capital and commodity market.

1.3. APPROVAL OF THE FINANCIAL STATEMENTS

These Condensed Consolidated Interim Financial Statements were authorised for issuance by the Management Board of the Exchange on 22 November 2022.

1.4. COMPOSITION AND ACTIVITY OF THE GROUP

The Exchange and its following subsidiaries:

- › Towarowa Giełda Energii S.A. ("TGE"), the parent entity of the Towarowa Giełda Energii S.A. Group ("TGE Group"), which includes TGE and: Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT") and InfoEngine S.A. ("InfoEngine") – 100%,
- › BondSpot S.A. ("BondSpot") - 97.23%,
- › GPW Benchmark S.A. ("GPWB") – 100%,
- › GPW Ventures ASI S.A. ("GPV"), the parent entity of the GPW Ventures ASI S.A. Group ("GPV Group") which includes GPV and: GPW Ventures Asset Management Sp. z o.o. ("GPV AM") and GPW Ventures SKA ("GPV SKA") – 100%,
- › GPW Tech S.A. ("GPWT") – 100%,
- › GPW Private Market S.A. – 100% (on 24 June 2022, the company name was changed from Teelgren S.A.).
- › GPW Logistics S.A. – 100% (on 26 August 2022, the company name was changed from Molonello Investments S.A.)

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence and joint ventures over which the Group has joint control:

- › Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW"), the parent entity of the KDPW S.A. Group ("KDPW Group") – 33.33%,
- › Centrum Giełdowe S.A. ("CG") – 24.79%,
- › Polska Agencja Ratingowa S.A. ("PAR") – 35.86%.

Increase of the share capital of GPW Benchmark S.A.

On 10 June 2022, the Extraordinary General Meeting of GPW Benchmark S.A. adopted a resolution to increase the share capital of the company by PLN 1,000 thousand. The company issued 20,000 series G ordinary registered shares with a nominal value and issue price of PLN 50 per share. The shares were issued in a private subscription. 100% of series G shares were taken up by the company's sole shareholder, GPW S.A., in exchange for a cash contribution paid prior to the registration of the shares. The opening and closing dates of the subscription of the new issue shares were set for 21 June 2022 and 15 July 2022 respectively. Payment for the shares was made on 12 July 2022.

Increase of the share capital of GPW Tech S.A.

On 29 September 2022, the Extraordinary General Meeting of GPW Tech S.A. adopted a resolution to increase the share capital of the company by PLN 2,000 thousand. The company issued 2,000,000 series D ordinary registered shares with a nominal value and issue price of PLN 1 per share. The shares were issued in a private subscription. 100% of series G shares were taken up by the company's sole shareholder, GPW S.A., in exchange for a cash contribution paid prior to the registration of the shares. Payment for the shares was made on 11 October 2022.

1.5. STATEMENT OF COMPLIANCE

These Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union. These Financial Statements do not contain all information required of complete financial statements prepared under the International Financial Reporting Standards adopted by the European Union ("EU IFRS"¹).

In the opinion of the Management Board of the parent entity, in the notes to the Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group, the Company included all material information necessary for the proper assessment of the assets and the financial position of the Group as at 30 September 2022 and its financial results in the period from 1 January 2022 to 30 September 2022.

These Condensed Consolidated Interim Financial Statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of preparation of these Condensed Consolidated Interim

¹ The International Accounting Standards, the International Financial Reporting Standards and related interpretations published in Regulations of the European Commission.

Financial Statements, in the opinion of the Management Board of the parent entity, there are no circumstances indicating any threats to the Group's ability to continue operations.

The Group has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the Consolidated Financial Statements for the year ended 31 December 2021 other than for changes other than for changes resulting from the application of new standards as described below. The Condensed Consolidated Interim Financial Statements for the nine-month period ended 30 September 2022 should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2021.

The following standards and amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2022:

- › amendments to IAS 16 Property, Plant and Equipment – proceed before use,
- › amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of fulfilling a contract,
- › amendments to IFRS 3 Business Combinations – amendments to the conceptual framework,
- › annual improvements to IFRS 2018-2020 to clarify the guidance on recognition and measurement.

Those amendments to the International Financial Reporting Standards had no significant impact on data presented in these condensed consolidated interim financial statements.

Amendment to IAS 1 Presentation of Financial Statements, Practice Statement IFRS 2 Disclosure of Accounting Policies (published on 12 February 2021), Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (published on 12 February 2021), IFRS 17 Insurance Contracts (published on 18 May 2017) including Amendment to IFRS 17 Insurance Contracts (published on 25 June 2020) and Amendment to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (published on 9 December 2021), Amendment to IAS 12 Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (published on 7 May 2021), have been adopted by the European Union but have not yet entered into force for annual periods starting on 1 January 2022.

Standards and Interpretations awaiting adoption by the European Union as at the balance-sheet date:

- › IFRS 14 Regulatory Deferral Accounts (published on 30 January 2014) – In accordance with the European Commission's decision, the adoption of the preliminary version of the standard will not be initiated before the publication of the final version of the standard; not adopted by the EU up to the date of approval of these financial statements; effective for annual periods beginning on or after 1 January 2016;
- › Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (published on 11 September 2014); the work leading to the approval of these amendments has been postponed indefinitely by the EU, the date of entry into force has been postponed indefinitely by the IASB;
- › Amendment to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date (published on 23 January 2020 and 15 July 2020 respectively), effective for annual periods beginning on or after 1 January 2023.

Those standards and interpretations (not yet adopted) are not applicable to the activities of the Group or have no significant impact on the consolidated financial statements of the Group.

The Group intends to apply amendments which are applicable to its activities as of their effective date.

2. NOTES TO THE STATEMENT OF FINANCIAL POSITION

2.1. PROPERTY, PLANT AND EQUIPMENT

	Nine months period ended 30 September 2022 (unaudited)				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance	72,320	16,528	383	2,656	91,887
Additions	-	4,118	127	14,143	18,388
Disposals	11	91	(15)	(4,745)	(4,658)
Depreciation charge*	(2,470)	(6,455)	(160)	-	(9,085)
Net carrying amount - closing balance	69,861	14,282	335	12,054	96,532
As at 30 September 2022 (unaudited)					
Gross carrying amount	130,064	113,754	5,456	12,054	261,328
Depreciation	(60,203)	(99,472)	(5,121)	-	(164,796)
Net carrying amount	69,861	14,282	335	12,054	96,532

* Depreciation of PLN 463 thousand is capitalised to intangible assets (development work)

	Year ended 31 December 2021				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance	73,566	17,108	455	6,204	97,333
Additions	2,221	8,452	377	308	11,358
Reclassification and other adjustments	(17)	-	-	-	(17)
Disposals	(183)	-	(1)	(3,856)	(4,040)
Depreciation charge*	(3,267)	(9,032)	(448)	-	(12,747)
Net carrying amount - closing balance	72,320	16,528	383	2,656	91,887
As at 31 December 2021					
Gross carrying amount	130,053	109,545	5,344	2,656	247,598
Depreciation	(57,733)	(93,017)	(4,961)	-	(155,711)
Net carrying amount	72,320	16,528	383	2,656	91,887

* Depreciation of PLN 501 thousand is capitalised to intangible assets (development work)

Contracted investments in plant, property and equipment amounted to PLN 415 thousand as at 30 September 2022 and included the purchase of computing servers.

Contracted investments in plant, property and equipment amounted to PLN 65 thousand as at 31 December 2021 and included investment in IT hardware.

2.2. INTANGIBLE ASSETS

	Nine months period ended 30 September 2022 (unaudited)						
	Licences	Copyrights	Know-how	Goodwill	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance	44,299	2,445	4,352	167,446	39,669	5,811	264,022
Additions	2,510	61	4	36	20,332	-	22,943
Reclassification and other adjustments	715	-	-	-	(1,091)	-	(376)
Capitalised depreciation	-	-	-	-	526	-	526
Impairment	-	-	-	(6,706)	-	-	(6,706)
Disposals	-	-	-	-	(2,374)	-	(2,374)
Depreciation charge*	(14,508)	(271)	(397)	-	-	(61)	(15,237)
Net carrying amount - closing balance	33,016	2,235	3,959	160,776	57,062	5,750	262,798
As at 30 September 2022 (unaudited)							
Gross carrying amount	246,581	8,677	6,320	172,410	57,062	5,973	497,023
Impairment	-	-	-	(11,634)	-	-	(11,634)
Depreciation	(213,565)	(6,442)	(2,361)	-	-	(223)	(222,591)
Net carrying amount	33,016	2,235	3,959	160,776	57,062	5,750	262,798

* Amortisation of PLN 63 thousand is capitalised to intangible assets (development work)

	Year ended 31 December 2021						
	Licences	Copyrights	Know-how	Goodwill	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance	53,791	2,572	4,821	167,446	18,678	5,892	253,200
Additions	7,199	306	76	-	20,817	-	28,398
Reclassification and other adjustments	-	-	-	-	(18)	-	(18)
Capitalised depreciation	-	-	-	-	638	-	638
Disposals	-	-	-	-	(446)	-	(446)
Depreciation charge*	(16,691)	(433)	(545)	-	-	(81)	(17,750)
Net carrying amount - closing balance	44,299	2,445	4,352	167,446	39,669	5,811	264,022
As at 31 December 2021							
Gross carrying amount	243,356	8,616	6,316	172,374	39,669	5,973	476,304
Impairment	-	-	-	(4,928)	-	-	(4,928)
Depreciation	(199,057)	(6,171)	(1,964)	-	-	(162)	(207,354)
Net carrying amount	44,299	2,445	4,352	167,446	39,669	5,811	264,022

* Depreciation of PLN 137 thousand is capitalised to intangible assets (development work)

For detailed information on capitalised costs of development work, see Note 5.4.

Contracted investments in intangible assets amounted to PLN 3,684 thousand as at 30 September 2022 and included mainly the acquisition of software enabling the rapid generation of reports to compare large sets of information during system tests,

neural networks and algorithms (contracted investments in intangible assets amounted to PLN 3,983 thousand as at 31 December 2021 and included mainly investments in the controlling system, the WIBIX system and the implementation of software to support information exchange with commodity market participants).

Goodwill recognised in these financial statements was reviewed for indications of impairment as at 30 September 2022. As regards the goodwill from the acquisition of BondSpot S.A. and the goodwill from taking control of the TGE Group, indications were identified which require an impairment test.

Impairment test of goodwill from taking control of the TGE Group

The outbreak of war in Ukraine caused high volatility and uncertainty on the gas and electricity markets. Legislative changes introducing the possibility of temporarily lifting or limiting the obligation to trade in natural gas on the exchange and lifting the obligation to trade in electricity on the exchange and capping energy prices may affect the turnover on the electricity and gas market and, consequently, the company's position and financial results in the following quarters. This assumption was the reason for a goodwill impairment test.

The impairment test of the goodwill from taking control of the TGE Group as at 30 September 2022 was performed by estimating the value in use according to the discounted cash flow ("DCF") method on the basis of certain financial assumptions for the years 2022-2026, including among others the expected turnover in electricity, gas and property rights taking into account expected market developments in these areas, price list changes, as well as operating expenses and capital expenditure.

The goodwill impairment test as at 30 September 2022 did not require any allowances to be recognised in the consolidated financial statements of the GPW Group.

Impairment test of goodwill from the acquisition of BondSpot S.A.

In 2022, the main factor affecting the company's financial results was the situation on the treasury bond market with an increase in treasury bond yields starting almost at the beginning of 2022. Since the beginning of 2022, 10-year bond yields increased steadily, following the increase in government bond yields on foreign markets. Inflationary pressure supported by an increase in fuel prices on global markets was an important driver of the increase in yields of Polish treasury securities. The fall in the prices of treasury bonds, both Polish and foreign, was also influenced by the policy of the US central bank (FED) pursuing a policy of sharp interest rate hikes.

The value in use of the cash-generating unit, which is considered to be the entire company BondSpot, was carried out using the DCF method based on the projected results of BondSpot S.A. for the years 2022-2026.

The main assumptions of the test performed as at 30 September 2022 included:

- CAGR of revenue between 2022 and 2026 at 19.0% assuming that BondSpot's key technology project is launched in 2025,
- CAGR of expenses between 2022 and 2026 at 13.5%,
- weighted average cost of capital at 11.66%,
- a growth rate after 2026 equal to 2.5%.

As a result of the analysis, a decision was made to recognise an impairment allowance on the goodwill at PLN 6,706 thousand. The allowance was recognised in other expenses of the Group. After the allowance, as at 30 September 2022, the goodwill from the acquisition of BondSpot in the Group's statement of financial position amounted to PLN 12,756 thousand compared with PLN 19,462 thousand as at 31 December 2021.

2.3. INVESTMENT IN ENTITIES MEASURED BY THE EQUITY METHOD

The entities measured by the equity method by the Group included:

- › Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW") (parent entity of the KDPW Group),
- › Centrum Giełdowe S.A. ("CG"),
- › Polska Agencja Ratingowa S.A. ("PAR").

As a result of the recognition of impairment of the investment in PAR at PLN 583 thousand as at 30 June 2020, the value of the investment in PAR was nil in the consolidated statement of financial position as at 30 September 2022 and as at 31 December 2021.

A loan granted by the Exchange to PAR is disclosed in Note 5.1.2.

	Nine months period ended 30 September 2022 (unaudited)	Year ended 31 December 2021
Opening balance	230,825	220,395
Dividends due to GPW S.A.	(10,556)	(7,063)
Share of net profit/(loss)	21,201	24,606
Other increase/(decrease) of profit	(499)	(230)
Total Group share of profit/(loss) after tax	20,702	24,376
Gains on valuation of financial assets measured at fair value through other comprehensive income	(7,722)	(6,883)
Closing balance	233,249	230,825

	As at	
	30 September 2022 (unaudited)	31 December 2021
Grupa Kapitałowa KDPW S.A.	216,424	213,959
Centrum Giełdowe S.A.	16,825	16,866
Total carrying amount of entities measured by equity method	233,249	230,825

2.4. FINANCIAL ASSETS

2.4.1. TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at	
	30 September 2022 (unaudited)	31 December 2021
Gross trade receivables	73,581	49,553
Impairment allowances for trade receivables	(4,162)	(4,516)
Total trade receivables	69,419	45,037
Current prepayments	8,505	7,061
VAT refund receivable	8,135	114,316
Sublease receivables	12	12
Grants receivable	5,180	3,670
Other receivables	1,652	6,981
Total other receivables	23,484	132,040
Total trade receivables and other receivables	92,903	177,077

In the opinion of the Exchange Management Board, in view of the short due date of trade receivables, the carrying amount of those receivables is similar to their fair value.

2.4.2. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at	
	30 September 2022 (unaudited)	31 December 2021
Corporate bonds	116,302	150,271
Bank deposits	12,033	117,081
Other assets	10,232	10,148
Total current	138,567	277,500
Allowance for losses on debt instruments measured at amortised cost	(103)	(178)
Total financial assets measured at amortised cost (over 3 months)	138,464	277,322

The carrying amount of financial assets measured at amortised cost is close to their fair value.

2.4.3. CASH AND CASH EQUIVALENTS

	As at	
	30 September 2022 (unaudited)	31 December 2021
Current accounts (other)	134,137	100,406
VAT current accounts (split payment)	885	1,911
Corporate bonds	27,547	14,995
Bank deposits	264,596	232,245
Expected credit loss	(294)	(233)
Total cash and cash equivalents	426,871	349,324

Cash and cash equivalents include current accounts and short-term bank deposits (up to 3 months). The carrying amount of short-term bank deposits and current accounts is close to the fair value in view of their short maturity.

The carrying amount of cash and cash equivalents is close to their fair value in view of their short maturity.

At the commencement of the projects: New Trading System, GPW Data, GPW Private Market, TeO, PCOL and Gospostrateg (see Note 5.4), the Group opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 4,878 thousand as at 30 September 2022 (PLN 4,389 thousand as at 31 December 2021). Cash in such accounts is classified as restricted cash.

Cash in VAT accounts at PLN 885 thousand (PLN 1,911 thousand as at 31 December 2021) is also restricted cash due to regulatory restrictions on the availability of cash in such accounts for current payments.

2.5. CHANGE OF ESTIMATES

In the period from 1 January 2022 to 30 September 2022, impairment losses for trade receivables were adjusted as follows:

	As at	
	30 September 2022 (unaudited)	31 December 2021
Opening balance	4,516	6,685
Creating a write-off	1,341	2,328
Dissolution of the write-off	(1,695)	(4,074)
Receivables written off during the period as uncollectible	-	(423)
Closing balance	4,162	4,516

In the period from 1 January 2022 to 30 September 2022, there were the following changes in estimates:

- › provisions against employee benefits were reduced by PLN 2,302 thousand (provision additions of PLN 21,731 thousand, usage of PLN 19,586 thousand, released provisions of PLN 4,447 thousand);
- › provisions against interest on a VAT correction were increased by PLN 1,581 thousand (see Note 5.9).

2.6. BOND ISSUE LIABILITIES

	As at	
	30 September 2022 (unaudited)	31 December 2021
Series C bonds	126,933	125,746
Series D and E bonds	-	120,532
Total current	126,933	246,278
Total liabilities under bond issue	126,933	246,278

The table below presents the key parameters of bonds in issue.

	Issued date	Redemption date	Total par value	Currency	Interest	Coupon
Series C bonds	6.10.2015	6.10.2022	125,000	PLN	3.19%	6M

The table below presents the fair value of bonds in issue.

	As at	
	30 September 2022 (unaudited)	31 December 2021
Fair value of series C bonds	126,371	126,491
Fair value of series D and E bonds	-	120,588
Total fair value of bonds in issue	126,371	247,079

On 31 January 2022, GPW redeemed series D and E bonds issued on 18 January 2017 with a total nominal value of PLN 120,000 thousand. On 6 October 2022, GPW redeemed series C bonds issued on 6 October 2015 with a total nominal value of PLN 125,000 thousand.

2.7. CONTRACT LIABILITIES

Contract liabilities include annual fees charged from market participants and data vendors, which are recognised over time, as well as fees for the introduction of financial instruments to trading.

	As at	
	30 September 2022 (unaudited)	31 December 2021
Listing	6,098	7,249
Total financial market	6,098	7,249
Other revenue	258	202
Total non-current	6,356	7,451
Trading	810	1,313

	As at	
	30 September 2022 (unaudited)	31 December 2021
Listing	8,790	3,488
Information services and revenue from the calculation of reference rates	6,396	2
Total financial market	15,996	4,803
Trading	2,733	506
Total commodity market	2,733	506
Other revenue	349	258
Total current	19,078	5,567
Total contract liabilities	25,434	13,018

The year-to-date increase of contract liabilities as at 30 September 2022 was due to pro-rata distribution over time of annual fees invoiced by the Group in the first days of the financial year.

2.8. ACCRUALS AND DEFERRED INCOME

Accruals and deferred income include income of future periods from grants in the part relating to assets (the part of grants relating to incurred expenses is recognised in other income).

	As at	
	30 September 2022 (unaudited)	31 December 2021
PCR	3,607	3,770
Agricultural Market	371	488
New Trading System Project	20,239	13,243
GPW Data Project	3,261	2,518
Telemetry Project	803	-
Private Market	629	532
Project PCOL	668	-
Total non-current deferred income from grants	29,578	20,551
PCR	280	375
Agricultural Market	226	333
GPW Data Project	366	-
Telemetry Project	-	1,191
Private Market	-	1,652
Gospostrateg Project	56	-
Total non-current deferred income from grants	928	3,551
Total accruals and deferred income	30,506	24,102

As at 30 September 2022, the Group recognised over time the following deferred income:

- reimbursement of part of the PCR project expenses received from Polskie Sieci Energetyczne,
- revenue received from Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR) in the Agricultural Market project,
- grant received from Narodowe Centrum Badań i Rozwoju (National Centre for Research and Development, NCBR) in the development of the New Trading System,

- › grant received from Narodowe Centrum Badań i Rozwoju in the GPW Data project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the GPW Private Market project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the Telemetry project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the PCOL project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the Gospostrateg project.

Details of grants are presented in Note 5.4.

2.9. OTHER LIABILITIES

	As at	
	30 September 2022 (unaudited)	31 December 2021
Security deposits - collateral on the balancing market	835	985
Liabilities to the Polish National Foundation	4,329	5,731
Perpetual usufruct liabilities	3,520	3,561
Total non-current	8,684	10,277
Dividend payable	15	9
VAT payable	8,774	43,201
Liabilities in respect of other taxes	3,585	3,067
Contracted investments	2,094	5,387
Liabilities to the Polish National Foundation	1,361	1,331
Other liabilities	31,687	5,027
Total current	47,516	58,022
Total other liabilities	56,200	68,299

Other liabilities as at 30 September 2022 included mainly payments to and from the tax office relating to current reporting periods, a liability to the Polish National Foundation, as well as significant liabilities in respect of margins for the purchase and sale of electricity by IRGIT recognised under other liabilities.

3. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

3.1. INCOME TAX

	Three months ended 30 September (unaudited)		Nine months period ended 30 September (unaudited)	
	2022	2021	2022	2021
Current income tax	2,616	3,722	27,400	27,765
Deferred tax	3,639	3,755	(3,626)	(3,236)
Total income tax	6,255	7,477	23,774	24,529

As required by the Polish tax regulations, the corporate income tax rate applicable in 2022 and 2021 is 19%.

	Three months ended 30 September (unaudited)		Nine months period ended 30 September (unaudited)	
	2022	2021	2022	2021
Profit before income tax	37,397	43,482	131,036	144,451
Income tax rate	19%	19%	19%	19%
Income tax at the statutory tax rate	7,105	8,262	24,897	27,446
Tax effect of:	(851)	(785)	(1,123)	(2,917)
Non tax-deductible costs	160	521	1,974	1,141
Impairment of goodwill of a subsidiary	1,274	-	1,274	-
Non-taxable share of profit of entities measured by the equity method	(1,585)	(1,128)	(3,933)	(3,639)
Other adjustments	(699)	(178)	(438)	(419)
Total income tax	6,255	7,477	23,774	24,529

The Group established a Tax Group ("TG") in 2017. The Tax Group is comprised of the Exchange, TGE, BondSpot, and GPWB. As the Company Representing the Tax Group, GPW is responsible for the calculation and payment of quarterly corporate income tax advances pursuant to the Corporate Income Tax Act.

4. NOTE TO THE STATEMENT OF CASH FLOWS

4.1. DEPRECIATION AND AMORTISATION

	Nine months period ended 30 September (unaudited)	
	2022	2021
Depreciation of property, plant and equipment*	8,622	8,943
Amortisation of intangible assets**	15,174	13,074
Depreciation and amortisation of right-to-use assets	4,099	4,052
Total depreciation and amortisation charges	27,895	26,069

* In the nine months period ended in 2022, depreciation was reduced by depreciation capitalized to intangible assets of PLN 463 thousand, and in nine months period ended in 2021, of PLN 379 thousand.

** In the nine months period ended in 2022, depreciation was reduced by depreciation capitalized to intangible assets of PLN 63 thousand, and in nine months period ended in 2021, of PLN 103 thousand.

5. OTHER NOTES

5.1. RELATED PARTY TRANSACTIONS

Related parties of the Group include:

- › the entities measured by the equity method,
- › the State Treasury as the parent entity,
- › entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence,
- › members of the key management personnel of the Exchange.

5.1.1. INFORMATION ABOUT TRANSACTIONS WITH THE STATE TREASURY AND ENTITIES WHICH ARE RELATED PARTIES OF THE STATE TREASURY

Companies with a stake held by the State Treasury

The Group keeps no records which would clearly identify and aggregate transactions with all entities which are related parties of the State Treasury.

Companies with a stake held by the State Treasury which are parties to transactions with the Exchange include issuers (from which it charges introduction and listing fees) and Exchange Members (from which it charges fees for access to trade on the exchange market, fees for access to the IT systems, and fees for trade in financial instruments).

Companies with a stake held by the State Treasury, with which TGE and IRGiT enter into transactions, include members of the markets operated by TGE and members of the Clearing House. Fees are charged from such entities for participation and for trade on the markets operated by TGE, for issuance and cancellation of property rights in certificates of origin, and for clearing.

All trade transactions with entities with a stake held by the State Treasury are concluded by the Group in the normal course of business and are carried out on an arm's length basis.

Polish Financial Supervision Authority ("PFSA")

The PFSA Chairperson publishes the rates and the indicators necessary to calculate capital market supervision fees by 31 August of each calendar year. On that basis, the entities obliged to pay the fee calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

The fee for 2022 charged to the GPW Group's operating expenses in the first nine months of 2022 was PLN 14,765 thousand, equal to the annual 2022 fee.

The fee for 2021 charged to the Group's operating expenses in the first nine months of 2021 was PLN 14,489 thousand.

Tax Office

The Group is subject to taxation under Polish law and pays taxes to the State Treasury, which is a related party. The rules and regulations applicable to the Group are the same as those applicable to other entities which are not related parties of the State Treasury.

Polish National Foundation

As one of the founders of the Polish National Foundation ("PFN"), established in 2016 by 17 state-owned companies, the Exchange is obliged to make an annual contribution towards the statutory activities of PFN in the form of 11 annual payments starting from the date of establishment of the Foundation. This liability was recognised in 2016 costs and is accrued over time. As at 30 June 2022, the liability of the Exchange to PFN amounted to PLN 5,690 thousand (31 December 2021: PLN 7,062 thousand).

5.1.2. TRANSACTIONS WITH ENTITIES MEASURED BY THE EQUITY METHOD

Dividend

Dividends paid by associates to the Group stood at PLN 10,556 thousand in the nine-month period ended 30 September 2022 (PLN 7,063 thousand in the nine-month period ended 30 September 2021).

On 8 April 2022, the Annual General Meeting of CG decided to allocate a part of the profit equal to PLN 1,077 thousand and a part of reserves equal to PLN 2,002 thousand to a dividend payment. The dividend attributable to GPW was PLN 763 thousand. The dividend was paid on 31 May 2022.

On 23 June 2022, the Annual General Meeting of KDPW decided to allocate a part of the profit equal to PLN 29,379 thousand to a dividend payment. The dividend attributable to GPW was PLN 9,793 thousand. The dividend record date was set for 30 June 2022 and the dividend payment date for 7 September 2022.

Loans and advances

As at 30 September 2022, the carrying amount of loans granted to PAR was nil (impairment allowance for the entire loan amount). PAR repaid the loan of PLN 200 thousand plus interest on 30 September 2022, resulting in release of the allowance of PLN 210 thousand.

Space lease

As owner and lessee of space in the Centrum Giełdowe building, the Exchange pays rent and maintenance charges for office space, including common areas, to the building manager, Centrum Giełdowe S.A. Transactions with the KDPW Group concerned co-operation in the organisation of events integrating the capital market community. Transactions with PAR concerned the lease of office space and related fees.

	As at 30 September 2022 (unaudited)		Nine months period ended 30 September 2022 (unaudited)	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	-	-	71	115
other	-	-	71	115
Centrum Giełdowe:	-	2,819	-	2,973
leases	-	2,818	-	1,823
other	-	1	-	1,150
PAR:	21	-	37	30
loans and borrowings	-	-	-	-
leases	16	-	24	-
other	5	-	13	30
Total	21	2,819	108	3,118

	As at 31 December 2021		Year ended 31 December 2021	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	-	-	3	122
other	-	-	3	122
Centrum Giełdowe:	-	4,287	-	4,570
leases	-	3,813	-	2,095
other	-	474	-	2,475
PAR:	50	-	22	40
loans and borrowings	-	-	-	-
leases	50	-	2	-
other	-	-	20	40
Total	50	4,287	25	4,732

Receivables from associates and joint ventures were not provided for or written off as uncollectible in the nine months of 2022 and 2021.

5.1.3. OTHER TRANSACTIONS

Transactions with the key management personnel

The Group entered into no transactions with the key management personnel as at 30 September 2022 and as at 31 December 2021 other than those disclosed in Note 5.2.

Książęca 4 Street Tenants Association

In 2022 and 2021, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 3,871 thousand in the nine-month period ended 30 September 2022 and PLN 3,415 thousand in the nine-month period ended 30 September 2021.

GPW Foundation

In the nine months of 2022, GPW made donations to the GPW Foundation in the amount of PLN 2,250 thousand (in the nine months of 2021 – PLN 900 thousand), received an income of PLN 78 thousand from the Foundation (in the nine months of 2021 – PLN 77 thousand), and paid the Foundation's costs of PLN 2 thousand (in the nine months of 2021 – PLN 1 thousand). As at 30 September 2022, the Exchange's receivables from the GPW Foundation stood at PLN 16 thousand (as at 31 December 2021 – PLN 39 thousand) and its payables to the Foundation were nil (as at 31 December 2021 – nil).

5.2. INFORMATION ON REMUNERATION AND BENEFITS OF THE KEY MANAGEMENT PERSONNEL

The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board, the Management Boards and the Supervisory Boards of the subsidiaries who were in office in the three-month period and the nine-month period ended 30 September 2022 and 30 September 2021, respectively.

The table concerning remuneration of the key management personnel does not present social security contributions paid by the employer.

	Three months ended 30 September (unaudited)		Nine months period ended 30 September (unaudited)	
	2022	2021	2022	2021
Base salary	388	404	1,195	1,211
Variable pay	535	411	1,402	1,233
Other benefits	27	163	109	245
Benefits after termination	170	-	170	-
Total remuneration of the Exchange Management Board	1,120	978	2,876	2,689
Remuneration of the Exchange Supervisory Board	149	152	448	432
Remuneration of the Management Boards of other GPW Group companies	922	946	3,018	2,724
Remuneration of the Supervisory Boards of other GPW Group companies	208	214	673	677
Total remuneration of the key management personnel	2,399	2,290	7,015	6,522

As at 30 September 2022, unpaid bonuses and variable remuneration of the key management personnel stood at PLN 5,449 thousand including bonuses and remuneration for 2017-2022. The cost was shown in the consolidated statements of comprehensive income for 2017-2021.

As at 30 September 2021, unpaid bonuses and variable remuneration of the key management personnel stood at PLN 3,157 thousand including bonuses and remuneration for 2017-2020. The cost was shown in the consolidated statements of comprehensive income for 2017-2020.

5.3. DIVIDEND

As required by the Commercial Companies Code, the amounts to be divided between the shareholders may not exceed the net profit reported for the last financial year plus retained earnings, less accumulated losses and amounts transferred to reserves that are established in accordance with the law or the Articles of Association that may not be earmarked for the payment of dividend.

On 23 June 2022, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2021, including a dividend payment of PLN 115,003 thousand. The dividend per share was PLN 2.74. The dividend record date was 25 July 2022 and the dividend payment date was 5 August 2022. The dividend due to the State Treasury was PLN 40,266 thousand.

On 21 June 2021, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2020, including a dividend payment of PLN 104,930 thousand. The dividend per share was PLN 2.50. The dividend record date was 23 July 2021 and the dividend payment date was 5 August 2021. The dividend paid to the State Treasury was PLN 36,721 thousand.

5.4. GRANTS

New Trading System

Total project budget: PLN 90.0 million; grant amount: PLN 29.3 million; costs capitalised at the balance sheet date: PLN 35,488 thousand; expected project completion date: Q1 2024.

The New Trading System is a development project of a new trading platform which will in the future help to reduce transaction costs and offer new functionalities and types of orders for Exchange Members, issuers and investors. The system will provide superior reliability and security according to advanced technical parameters.

GPW Data

Total project budget: PLN 7.9 million; grant amount: PLN 3.9 million; costs capitalised at the balance sheet date: PLN 6,636 thousand; expected project completion date: Q2 2023.

The GPW Data project is an innovative Artificial Intelligence system supporting investment decisions of capital market participants. The core of the system is a repository of a broad range of structured exchange data. Such information will support investments on the capital market based on classical and innovative analysis models.

GPW Private Market

Total project budget: PLN 11.6 million; grant amount: PLN 8.5 million; costs capitalised at the balance sheet date: PLN 943 thousand; expected project completion date: Q4 2023.

On 23 September 2020, acting as the leader of a consortium comprised of the Silesian University of Technology and VRTechnology sp. z o.o., GPW signed a co-financing agreement with the National Centre for Research and Development for the project "Development of an innovative blockchain platform".

The objective of the project is to develop a platform for the issuance of tokens representing digital rights (digital assets). The platform will also support trade in such assets.

Telemetry

Total project budget: PLN 33.3 million; grant amount: PLN 13.3 million; costs capitalised at the balance sheet date: PLN 1,585 thousand; expected project completion date: Q4 2023.

On 4 October 2021, GPW signed an agreement with the National Centre for Research and Development ("NCBiR") to co-finance work related to the development of the TeO system - a multi-module auction platform designed for comprehensive handling of media market transactions.

The aim of the project is to develop an innovative TeO Platform. The new solution will be designed to profile TV users and sell and display targeted advertising on linear TV.

Gospostrateg

Total project budget: PLN 7.9 million; grant amount: PLN 0.3 million; costs capitalised at the balance sheet date: -; expected project completion date: Q1 2023.

On 27 October 2021, as a member of a consortium comprising the Mazowieckie Voivodeship as Leader and the Warsaw School of Economics, GPW concluded an agreement with the National Centre for Research and Development for the implementation of the Gospostrateg project.

The main objective of the project is to transform the Mazowieckie Voivodeship into an accelerator of global enterprises by building a knowledge repository of key global markets and developing and implementing an effective model of co-operation between administration, science and business taking into account the conditions of the Mazowieckie Voivodeship.

Polish Digital Logistics Operator ("PCOL")

Total project budget: PLN 8.8 million; grant amount: PLN 5.1 million; costs capitalised at the balance sheet date: PLN 822 thousand; expected project completion date: Q4 2023.

On 4 November 2021, GPW signed an agreement with the National Centre for Research and Development to co-finance the Polish Digital Logistics Operator ("PCOL") project.

PCOL is a project for an innovative logistics platform based on artificial intelligence to optimise costs in areas related to transport and logistics services for State-owned companies as well as private companies which will in the future use the services and solutions offered. The grant will be used to finance research and development work related primarily to the development of innovative technologies based on artificial intelligence.

5.5. SEASONALITY

The activity of the Group shows no significant seasonality except for the revenue from the commodity market which shows seasonality during the year (the revenue of the first months of the year is higher than the revenue for the other quarters of the year). Stock prices and turnover depend largely on local, regional, and global trends impacting the capital markets, which makes revenue from the financial market cyclical.

5.6. SEGMENT REPORTING

Segment information is disclosed in these Financial Statements based on components of the entity which are monitored by the Group's chief decision maker (Exchange Management Board) to make operating decisions. The presentation of financial data by operating segment is consistent with the management approach at Group level. The Group's business segments focus their activities on the territory of Poland.

The two main reporting segments are the financial segment and the commodity segment.

The financial segment covers the activity of the Group including organising trade in financial instruments on the exchange and in the alternative trading system as well as related activities: trading, listing, information services.

The commodity segment covers the activity of the Group including organising trade in commodities on the exchange as well as related activities: trading, operation of the Register of Certificates of origin of electricity, the CO2 Emissions Allowances market, clearing, the operation of a clearing house and a settlement system, the activity of a trade operator and the entity responsible for trade balancing, information services.

The accounting policies for the business segments are the same as the accounting policies of the GPW Group.

The tables below present a reconciliation of the data analysed by the Exchange Management Board with the data shown in these Financial Statements.

	Nine months period ended 30 September 2022 (unaudited)					
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	195,771	105,711	11,730	313,212	(15,455)	297,757
To third parties	190,335	105,157	2,265	297,757	-	297,757
Between segments	5,436	554	9,465	15,455	(15,455)	-
Operating expenses, including:	(144,447)	(58,896)	(2,493)	(205,836)	15,152	(190,684)
depreciation and amortisation	(20,616)	(7,816)	(112)	(28,544)	649	(27,895)
Profit/(loss) on sales	51,324	46,815	9,237	107,376	(303)	107,073
Loss on impairment of receivables	360	(6)	-	354	-	354
Other income	1,550	641	-	2,191	(840)	1,351
Other expenses	(3,607)	(101)	-	(3,708)	(6,336)	(10,044)
Operating profit (loss)	49,627	47,349	9,237	106,213	(7,479)	98,734
Financial income, including:	48,889	32,397	32	81,318	(63,390)	17,928
interest income	11,281	5,821	32	17,134	(323)	16,811
dividend income	36,469	26,539	-	63,008	(63,008)	-
Financial expenses, including:	(3,704)	(4,854)	(23)	(8,581)	2,253	(6,328)
interest cost	(3,743)	(535)	(6)	(4,284)	394	(3,890)
VAT provision	-	(3,270)	-	(3,270)	1,690	(1,580)
Share of profit/(loss) of entities measured by equity method	-	-	-	-	20,702	20,702
Profit before income tax	94,812	74,892	9,246	178,950	(47,914)	131,036
Income tax	(19,317)	(4,451)	(6)	(23,774)	-	(23,774)
Net profit	75,495	70,441	9,240	155,176	(47,914)	107,262

As at 30 September 2022 (unaudited)							
	Financial segment	Commodity segment	Other	Total segments	Adjustments for investments measured by equity method	Other exclusions and adjustments	Total segments and exclusions
Total assets	851,809	389,296	7,642	1,248,747	221,597	(192,328)	1,278,016
Total liabilities	234,146	130,596	801	365,543	-	(40,560)	324,983
Net assets (assets - liabilities)	617,663	258,700	6,841	883,204	221,597	(151,768)	953,033

Nine months period ended 30 September 2021 (unaudited)							
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions	
Sales revenue:	192,355	110,410	11,168	313,933	(13,873)	300,060	
To third parties	188,339	109,941	1,780	300,060	-	300,060	
Between segments	4,016	469	9,388	13,873	(13,873)	-	
Operating expenses, including:	(124,505)	(53,567)	(1,129)	(179,201)	12,998	(166,203)	
depreciation and amortisation	(18,621)	(8,029)	(101)	(26,751)	682	(26,069)	
Profit/(loss) on sales	67,850	56,843	10,039	134,732	(875)	133,857	
Loss on impairment of receivables	224	325	-	549	-	549	
Other income	373	853	-	1,226	-	1,226	
Other expenses	(1,926)	(34)	-	(1,960)	290	(1,670)	
Operating profit (loss)	66,521	57,987	10,039	134,547	(585)	133,962	
Financial income, including:	102,282	58,784	-	161,066	(160,685)	381	
interest income	435	82	-	517	(201)	316	
Financial expenses, including:	(5,507)	(3,783)	(13)	(9,303)	257	(9,046)	
interest cost	(4,783)	(197)	(11)	(4,991)	257	(4,734)	
VAT provision	-	(1,638)	-	(1,638)	-	(1,638)	
Share of profit/(loss) of entities measured by equity method	-	-	-	-	19,154	19,154	
Profit before income tax	163,296	112,988	10,026	286,310	(141,859)	144,451	
Income tax	(19,945)	(4,588)	4	(24,529)	-	(24,529)	
Net profit	143,351	108,400	10,030	261,781	(141,859)	119,922	

As at 31 December 2021							
	Financial segment	Commodity segment	Other	Total segments	Adjustments for investments measured by equity method	Other exclusions and adjustments	Total segments and exclusions
Total assets	987,301	446,479	4,632	1,438,412	219,173	(246,897)	1,410,688
Total liabilities	346,424	202,832	661	549,917	-	(107,086)	442,831
Net assets (assets - liabilities)	640,877	243,647	3,971	888,495	219,173	(139,811)	967,857

Three months ended 30 September 2022 (unaudited)							
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions	
Sales revenue:	59,936	30,014	3,871	93,821	(5,378)	88,443	
To third parties	57,960	29,821	662	88,443	-	88,443	
Between segments	1,976	193	3,209	5,378	(5,378)	-	
Operating expenses, including:	(47,529)	(16,482)	(912)	(64,923)	5,589	(59,334)	
depreciation and amortisation	(6,681)	(2,125)	(38)	(8,844)	200	(8,644)	
Profit/(loss) on sales	12,407	13,532	2,959	28,898	211	29,109	
Loss on impairment of receivables	30	59	-	89	-	89	
Other income	472	189	-	661	(277)	384	
Other expenses	(2,555)	(15)	-	(2,570)	(6,530)	(9,100)	
Operating profit (loss)	10,354	13,765	2,959	27,078	(6,596)	20,482	
Financial income, including:	5,473	3,227	28	8,728	30	8,758	
interest income	4,857	3,224	28	8,109	91	8,200	
dividend income	1	-	-	1	(1)	-	
Financial expenses, including:	(910)	618	(1)	(293)	104	(189)	
interest cost	(1,143)	(221)	(1)	(1,365)	(59)	(1,424)	
rozwiązanie rezerwy na koszty związane z ryzykiem VAT	-	1,405	-	1,405	-	1,405	
Share of profit/(loss) of entities measured by equity method	-	-	-	-	8,346	8,346	
Profit before income tax	14,917	17,610	2,986	35,513	1,884	37,397	
Income tax	(4,757)	(1,458)	(4)	(6,219)	(36)	(6,255)	
Net profit	10,160	16,152	2,982	29,294	1,848	31,142	

	Three months ended 30 September 2021 (unaudited)					
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	55,837	36,000	3,688	95,525	(4,902)	90,623
To third parties	54,375	35,849	399	90,623	-	90,623
Between segments	1,462	151	3,289	4,902	(4,902)	-
Operating expenses, including:	(37,783)	(15,474)	(344)	(53,601)	4,185	(49,416)
depreciation and amortisation	(5,655)	(2,664)	(20)	(8,339)	6	(8,333)
Profit/(loss) on sales	18,054	20,526	3,344	41,924	(717)	41,207
Loss on impairment of receivables	(740)	(13)	-	(753)	-	(753)
Other income	153	394	-	547	-	547
Other expenses	(1,347)	(12)	-	(1,359)	290	(1,069)
Operating profit (loss)	16,120	20,895	3,344	40,359	(427)	39,932
Financial income, including:	185	18	-	203	(191)	12
interest income	155	52	-	207	(201)	6
Financial expenses, including:	(1,384)	(1,098)	(3)	(2,485)	86	(2,399)
interest cost	(1,582)	(83)	(3)	(1,668)	86	(1,582)
rozwiązanie rezerwy na koszty związane z ryzykiem VAT	-	(557)	-	(557)	-	(557)
Share of profit/(loss) of entities measured by equity method	-	-	-	-	5,937	5,937
Profit before income tax	14,921	19,815	3,341	38,077	5,405	43,482
Income tax	(5,746)	(1,739)	8	(7,477)	-	(7,477)
Net profit	9,175	18,076	3,349	30,600	5,405	36,005

5.7. ADDITIONAL INFORMATION CONCERNING THE SARS-CoV-2 PANDEMIC AND THE OUTBREAK OF ARMED CONFLICT IN UKRAINE

In the first nine months of 2022, the Group did not identify any new risks related to the pandemic and took no new measures to mitigate the impact of the pandemic on the Group's operations and results compared to those identified in the 2021 annual financial statements.

In February 2022, armed conflict broke out in Ukraine. In view of the impact of the conflict on the political and economic situation in Europe and the world, the GPW Group took into account the recommendations of the Polish Financial Supervision Authority issued on 2 March 2022 for issuers of securities and carried out an analysis of the impact of the war on current operations and on the ability of the GPW Group companies to continue as a going concern in the next 12 months.

As the GPW Group companies do not have business operations in Russia and Ukraine, the war in this region does not directly affect the presented and future financial results of the Group. The Group's financial results may be affected by the situation on the gas and electricity market in connection with the operation of a commodity exchange for trading in these commodities.

The GPW Group analysed the depreciation rates for property, plant and equipment and intangible assets applied to assets held as at 30 June 2022 and identified no need to change the estimates used.

The Group considers that the outbreak of war did not affect the judgements made in the measurement of lease liabilities or the existing classification of financial assets under IFRS 9.

As at 30 September 2022, the GPW Group held PLN 565 million of cash and cash equivalents and short-term financial assets in the form of bank deposits and guaranteed corporate bonds. These represent sufficient financial resources to conclude that the Group's liquidity risk in the short to medium term is low.

The Group does not hold any material foreign currency assets and therefore exchange rate fluctuations due to uncertainty in the foreign exchange markets would be immaterial to the financial statements.

The GPW Group monitors the amount of trade receivables on an ongoing basis, especially trade receivables from counterparties related to parties involved in the armed conflict. As at 30 September 2022, no significant receivables were identified in this group of counterparties.

Details of the identified risks related to the pandemic and the outbreak of the armed conflict in Ukraine on the Company's and the Group's operations and financial position are presented in Note 2.8.5 to the Management Board Report on the Activity of the Parent Company and the Warsaw Stock Exchange Group for 2021 and in Note 7.1 to the Interim Report of the Warsaw Stock Exchange Group for the nine months of 2022.

The Exchange Management Board and the Management Boards of the Group companies monitor the situation related to the above-mentioned factors on an ongoing basis and will take appropriate action, including informing the market, if new factors emerge that could have a material impact on the GPW Group's operations and financial results.

In the opinion of the GPW Management Board, at the time of publication of this report, the Group has not identified any material uncertainties relating to events or circumstances that might cast significant doubt on its ability to continue as a going concern. The prolonged conflict, actions taken by the Polish government, the European Union authorities and NATO, and the related uncertainty on the financial markets may affect the operations and financial results of the GPW Group companies in the future. As at the date of publication of this report, it is not possible to estimate that impact.

5.8. CONTINGENT LIABILITIES

5.8.1. CONTINGENT LIABILITIES

In connection with the implementation of the projects New Trading System, GPW Data, GPW Private Market, TeO and PCOL, the Exchange presented five own blank bills of exchange to NCBR securing obligations under the projects' co-financing agreements. According to the agreements and the bill-of-exchange declarations, NCBR may complete the bills of exchange with the amount of provided co-financing which may be subject to refunding, together with interest accrued at the statutory rate of overdue taxes from the date of transfer of the amount to the Exchange's account to the day of repayment (separate for each project). NCBR may also complete the bills of exchange with the payment date and insert a "no protest" clause. The bills of exchange may be completed upon the fulfilment of conditions laid down in the co-financing agreement. Each of the bills of exchange shall be returned to the Exchange or destroyed after the project sustainability period defined in the project co-financing agreement.

As at 30 September 2022, the Group recognised a contingent liability in respect of an overdue VAT correction. Acting in the interest of GPW shareholders, pursuant to point 92 of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Group is not disclosing the estimated amount of the potential payable (see: Note 5.9).

As at 30 September 2022, the Group held bank guarantees issued in favour of:

- › NordPool in the amount of EUR 47.7 million effective to 16 June 2023,
- › Slovenská Elektrizácia Prenosová Sústava (SEPS) in the amount of EUR 0.5 million effective to 30 June 2023,
- › ČEPS in the amount of EUR EUR 7.4 million effective as at 30 September 2022 and EUR 13.1 million as of 6 October 2022,
- › European Commodity Clearing AG (ECC) in the amount of EUR 6.3 million effective to 30 June 2023,
- › on 14 June 2022, Santander Bank Polska and the Group concluded a guarantee limit agreement up to EUR 90 million.

5.9. UNCERTAINTY ABOUT VAT

In accordance with the GPW Group's tax risk management policy, tax accounts of all Group companies including IRGiT have been subject to an annual tax review carried out by an independent tax advisor since 2017. In addition, following one such review, with a view to verification of tax risk identified in the review, the IRGiT Management Board requested independent advisors to provide an analysis concerning the time of origination of input VAT from transactions in electricity and gas deliveries and the time of origination of the right to deduct input VAT and to calculate potential impact on IRGiT's tax payable of a potential amendment of IRGiT's tax policy which follows the general rules concerning the time of origination of tax liabilities regarding output VAT and the direct application of Directive 112 to the extent of input VAT.

According to the provided opinions, IRGiT's tax policy may be considered correct in the light of EU law, in particular to the extent of input VAT, and considering the specificity of IRGiT's business in relation to output VAT. However, under the literal wording of applicable national tax law, such approach could be challenged by tax authorities.

On 9 October 2020, the Regional Administrative Court in Warsaw dismissed IRGiT's appeal and upheld the individual interpretation issued by the Director of the National Tax Information dated 12 November 2019 concerning the principles of determining the time of origination of the right to deduct input VAT from invoices for electricity and gas. On 5 December

2020, IRGiT filed for cassation with the Supreme Administrative Court in Warsaw, and followed up with a supplementary submission of 15 April 2021 which referred to recent CJEU case-law, not yet available when the cassation appeal was filed, which fully supports the pleas raised by IRGiT. IRGiT is waiting for the date of the hearing before the Supreme Administrative Court to be set.

IRGIT has developed a tax strategy in that regard in partnership with independent tax advisors.

Due to uncertainty concerning the time of settlement of input and output VAT in all open periods and the amount of the aforementioned VAT payable, guided by the principles of prudence, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, provisions were set up at PLN 30.4 million as at 30 September 2022 (PLN 28.8 million as at 31 December 2021) against interest that will arise in the event of a shift in the VAT deduction period. After creating the provisions, the Group recognised financial expense of PLN 1.6 million (PLN 1.6 million in 9M 2021). The provisions represent the best possible estimate of the potential liability as at 30 September 2022 which would have to be paid upon an amendment of the existing methodology of determining the time of origination of the tax liability and the deduction right.

From the tax perspective, there is a risk arising from the statute of limitation (five years) concerning the recognition of output VAT reported in November 2016: once recognised under general VAT regulations, due to the application of the *lex specialis* concerning the time of origination of tax on electricity and gas deliveries, the tax would be deferred to December 2016 and consequently recognised for a second time without the right to correct the accounts for November, which would be in direct violation of the principle of VAT neutrality. According to regulations, if a liability arises in December, it does not expire until 1 January of the sixth consecutive year. Tax liabilities arising from January to November expire on 1 January of the fifth consecutive year (as such liabilities are payable in the year when they originate). Literal application of those rules could however result in double VAT imposed on deliveries. Consequently, acting in the interest of GPW shareholders, pursuant to point 92 of IAS 37, the Group is not disclosing the estimated amount of the contingent liability.

5.10. ACQUISITION OF INTEREST IN THE ARMENIA SECURITIES EXCHANGE

On 28 June 2022, GPW signed an Armenia Securities Exchange (AMX) Share Purchase Agreement with the Central Bank of Armenia (CBoA) as well as a Shareholders' Agreement regarding the participation of the parties to the agreement in AMX.

The Share Purchase Agreement is a conditional agreement. The acquisition of control of AMX will be possible upon fulfilment of the following conditions:

- obtaining approval for the transaction from the Central Bank of Armenia,
- amendment to the Articles of Association of AMX in accordance with the Shareholders' Agreement,
- opening of a securities account in Armenia by GPW,
- payment of consideration by GPW for AMX shares.

As a result of the transaction, AMX's ownership structure will be as follows:

- AMX will hold 148 treasury shares corresponding to a 9.95% interest in the company's share capital,
- CBoA will hold 372 shares corresponding to a 25.02% interest in the company's share capital,
- GPW will hold 967 shares corresponding to a 65.03% interest in the company's share capital.

As a result of the transaction, GPW will also indirectly acquire control of the Central Depository of Armenia (CDA), in which AMX holds 100% of the share capital.

The total price of AMX shares acquired by GPW is AMD 873,735,276 or approximately PLN 9.6 million and will be payable in two tranches:

1. the first tranche in the amount of AMD 498,765,150, i.e., approximately PLN 5.5 million payable upon signing the Share Purchase Agreement, obtaining approval for the transaction from the Central Bank of Armenia and fulfilling the other conditions set out in the agreement,
2. the second tranche of AMD 374,970,126, i.e., approximately PLN 4.1 million payable subject to the completion of all proceedings to which AMX is a party and which are described in the Share Purchase Agreement.

According to the Agreement, the transaction was to be closed by 29 September 2022. As the aforementioned conditions precedent for taking control of AMX were not fulfilled, the parties entered into an agreement on 28 September 2022 postponing the closing of the AMX Share Purchase Agreement until 20 October 2022; on 19 October 2022, the parties entered into an agreement whereby the transaction will be closed on the second business day following the date on which all the aforementioned conditions under the Agreement are fulfilled.

5.11. EVENTS AFTER THE BALANCE SHEET DATE

On 6 October 2022, series C bonds issued on 6 October 2015 with a total nominal value of PLN 125,000 thousand were redeemed.

On 13 October 2022, GPW acquired a shelf company Tanerstill Investments S.A. for PLN 118.5 thousand to simplify and shorten the process of setting up and registering a company. The shelf company will be used to operate a multi-mode auction platform designed for the comprehensive handling of media market transactions related to dynamic ad insertion (DAI).

Towarowa Giełda Energii annexed its revolving bank loan agreement with Deutsche Bank Polska and extended the term of the loan to 5 October 2024. The maximum amount of the loan is PLN 40 million.

On 11 October 2022, GPW entered into an agreement with a related party, TGE, under which GPW will grant a revolving loan of up to PLN 100 million to TGE. The loan will be repaid by 30 September 2023 with an option to extend it for a further period but no longer than 30 September 2024.

On 30 September 2022, the Term Sheet with the Hungarian National Bank, the Budapest Stock Exchange and Towarowa Giełda Energii S.A. on the planned establishment of Central Post-trade Solutions (CPS) expired. In view of significant changes in the market environment, the parties to the agreement decided not to implement the cooperation.

On 1 July 2022, Tomasz Dąbrowski was appointed as Member of the GPW Management Board for IT. The appointment was subject to the approval of the Polish Financial Supervision Authority ("KNF") for changes to the Exchange Management Board. Tomasz Dąbrowski resigned as Member of the GPW Management Board for IT before assuming the position, i.e., before obtaining KNF's approval. His resignation is due to his plan to take up other professional challenges as of 7 November 2022.

The consolidated financial statements are presented by the Management Board of the Warsaw Stock Exchange:

Marek Dietl – President of the Management Board

Izabela Olszewska – Member of the Management Board

Adam Młodkowski – Member of the Management Board

Monika Gorgoń – Member of the Management Board

Signature of the person responsible for keeping books of account:

Piotr Kajczuk, Director, Financial Department

Warsaw, 22 November 2022

